

Lease/Rental

Lease/Rental Companies

Who Must Register?

Section 144.010.1(5), RSMo defines a motor vehicle leasing company as a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company.

A lease/rental company must register with the department and obtain a LEASE/RENTAL PERMIT if the company chooses to collect and remit all applicable taxes on the amount charged for each rental or lease agreement while the motor vehicle, trailer, vessel (watercraft), or outboard motor is domiciled in this state instead of paying the taxes due at the time of titling the units. If the lease/rental company elects to pay taxes at the time of titling, a permit is not required.

A LEASE/RENTAL COMPANY THAT ELECTS TO COLLECT TAXES ON THE LEASE/RENTAL PROCEEDS MUST EXERCISE THIS TAX OPTION ON ALL UNITS PURCHASED FOR LEASE/RENTAL PURPOSES.

Registration Requirements

Any company or corporation wanting to operate as a motor vehicle/marinecraft leasing company must submit the following to:

Department of Revenue
Driver and Vehicle Services Bureau
Lease/Rental Registration Desk
P.O. Box 100
Jefferson City, Missouri 65105-0100

1. *Application for Permit to Operate As a Motor Vehicle/ Marinecraft Leasing Company* (DOR-901), Exhibit L. The application must be completed and signed by one of the owners listed on the application. There is no fee to obtain a permit to operate as a lease/rental company. The application must list the principal name of the lease/rental company and, if applicable, the names of all the divisions; and
2. A copy of the Missouri Sales Tax License. The Sales Tax License must be in the name of the motor vehicle/marinecraft leasing company. A Sales Tax License can be

obtained from the Missouri Department of Revenue at the following address:

Business Tax Bureau
Central Registration
P.O. Box 3300
Jefferson City, MO 65105-3300
Telephone Number (573) 751-2836 or 751-5860

All companies and corporations doing business in the state of Missouri, with the exception of national and state charter banks and federal credit unions, must be registered with the Missouri Secretary of State's Office. If a company or corporation is not currently registered, it should contact the Missouri Secretary of State's Office at the following address:

Secretary of State's Office
Corporation Division
James C. Kirkpatrick State Office Building
600 West Main Street
Jefferson City, MO 65102
Telephone Number (573) 751-4153

The Registration/Charter number provided by the Secretary of State's Office must be recorded in box number 5 on the *Application for Permit to Operate As a Motor Vehicle/Marinecraft Leasing Company* (DOR-901).

Registering as a Corporate Division

Section 144.070.6, RSMo permits a corporation to have one or more of its divisions be separately authorized by the director of revenue to operate as a leasing company, provided the corporation:

1. Has filed a written consent with the director authorizing any of its divisions to apply for such authority by completing Section B of the *Application For Permit To Operate As A Leasing Company*;
2. Is authorized to do business in Missouri;
3. Has agreed to treat any sale of a motor vehicle, trailer, vessel (watercraft) or outboard motor from one of its divisions to another of its divisions as a sale at retail within the meaning of Subdivision (9) of Subsection 1 of Section 144.010;

Lease/Rental Permits

4. Has registered each of the divisions doing business in Missouri as a leasing company under the fictitious name provisions of Sections 417.200 to 417.230, RSMo; and
5. Operates each of its divisions on a basis separate from each of its other divisions.

Permits Expire On December 31 Each Year

Upon receipt and approval of an application for a lease/rental permit and the required documents, the department will mail the lease/rental permit directly to the applicant. This permit expires on December 31 of each year and must be renewed annually. Renewal applications must be filed with the Driver and Vehicle Services Bureau no later than December 31 of the year of expiration in order to be registered for the next year.

If a lease/rental company fails to receive a renewal application, it is the responsibility of the company to contact the Department of Revenue, Driver and Vehicle Services Bureau, to obtain the necessary forms to renew the permit before the expiration date. Failure to receive a renewal notice does not excuse failure to renew.

A lease/rental company that acquires a motor vehicle, trailer, vessel (watercraft), or outboard motor **prior to** obtaining or renewing a permit from the director of revenue to operate as a lease/rental company must pay all applicable taxes at the time of titling and registering.

Cancellation/Denial of a Lease/Rental Company Registration

Cancellation of a Lease/Rental Company Registration

The director of revenue may deny an application for or recall any permit to operate as a lease/rental company if he or she finds the applicant:

1. Fraudulently completed the application for registration;
2. No longer holds a valid Missouri Sales Tax License; or
3. No longer is properly registered with the Missouri Secretary of State's Office.

A lease/rental company registered with the director of revenue pursuant to Section 144.070, RSMo that ceases to operate as a lease/rental company in accordance with the law and/or the rules and regulations established by the director of revenue, must notify the director of revenue within 10 days of ending the operation.

Dealers Licensed as a Lease/ Rental Company

When a lease/rental company is also licensed as a motor vehicle dealer, the businesses must operate as two separate entities for titling and record-keeping requirements. For example, a dealership may title a motor vehicle in the dealership's name and claim a sales tax exemption (Exemption 3) because the vehicle was purchased for resale. However, if the dealer later decides to lease the vehicle, an assignment must be made and a new title obtained transferring ownership from the dealership name to the lease/rental company name. The new title will reflect a sales tax exemption (Exemption 12) indicating the vehicle was purchased for lease/rental purposes. This transfer/sale must be reported on the dealer's monthly sales report to the Driver and Vehicle Services Bureau. To avoid confusion, **the dealership and lease/rental company should be registered under two different names**, i.e., "John's Auto Sales" for the dealership and "John's Auto Leasing" for the lease/rental company. One sales tax license is sufficient if the lease/rental company is also registered as a dealer.

NOTE: VEHICLES TITLED IN THE NAME OF THE LEASE/RENTAL COMPANY MAY NOT DISPLAY DEALER LICENSE PLATES.

Obtaining an Original Title

Titling a Leased Motor Vehicle, Trailer, Vessel (Watercraft), or Outboard Motor

After an applicant is approved to operate as a motor vehicle/marinecraft lease/rental company, all applications for title on motor vehicles, trailers, vessels (watercraft), or outboard motors must be submitted in the name and address of the motor vehicle/marinecraft lease/rental company as it appears on the PERMIT TO OPERATE AS A MOTOR VEHICLE/MARINECRAFT LEASING COMPANY. The lease/rental company may also show an "in care of" in the owner's name area of the title application when long-term leases are involved, i.e., Johnson Leasing Inc. % James Smith.

Please note:

1. A lease/rental company must record a "Mail-to" on the application for title if the title is to be mailed to an address other than the applicant's address listed at the top of the application.
2. The application for title must be signed by an authorized officer/employee of the company. The signature of the applicant certifies that financial responsibility will be maintained on the vehicle.

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3. If the application is signed by the lessee, a notarized power of attorney from the motor vehicle/marinecraft lease/rental company authorizing the individual to sign the application must be submitted.
 4. The lease/rental permit number must be shown in the remarks section of the application or in the designated lease/rental block on the application.
 5. Application for title on motor vehicles and trailers must be made within 30 days of the purchase date. Application for title on vessels (watercraft) and outboard motors must be made within 60 days of the purchase date.
 6. The law requires that sales tax on the rental receipts **or purchase price** (depending on the sales tax option the leasing company selected) for leases of 60 days or more must be based on the lessee's address.

The application for title must be accompanied by:

1. A properly assigned certificate of title or Manufacturer's Statement of Origin;
2. An *Odometer Disclosure Statement*, DOR-3019, if applicable. See Section 3 of this manual for odometer requirements;
3. An inspection verifying the motor vehicle identification number and odometer reading (ID/OD Inspection), if the certificate of ownership is an out-of-state title;
4. Applicable title and processing fees. If an expeditious title is requested, an additional \$5.00 is due;
5. Appropriate processing/agent fee; and
6. A title penalty, if applicable. The title penalty for motor vehicles and trailers is \$25 for each 30-day period after the purchase date, not to exceed a total of \$200. The title penalty for vessels (watercraft) and outboard motors is \$10 after 60 days from the purchase date, then \$10 for each 30-day period, not to exceed a total of \$30.

Registering a Leased Motor Vehicle/ Trailer

Registering a Leased Motor Vehicle or Trailer

If the lease/rental company wants to register the leased vehicle, the following is required **in addition to** the requirements for titling:

1. Original personal property tax receipt or statement of non-assessment for the previous year in the leasing company's name. Leasing companies must provide the lessee of a vehicle or trailer with an original paid personal property tax receipt or a legible copy of the tax receipt certified by the county collector's/assessor's office **unless a railroad company is the lessee**. Railroad companies are required to report all personal property (owned or leased) to the county collector's/assessor's office; therefore, when a railroad company is the lessee, the department will accept a paid personal property tax receipt or statement of non-assessment **in the railroad company's name**. See example 2 listed below. In accordance with Section 137.095, RSMo the tax receipt/non-assessment must be issued in the county in which the vehicle is based/garaged. When the address of the lessee is shown on the application for title, the tax receipt must be issued by the county in which the lessee resides.

EXAMPLE 1: Johnson Leasing Company is located in Gasconade County and leases a vehicle to Jack Jones in Cole County. If the vehicle is titled to Johnson Leasing Co., c/o Jack Jones, the title application should list the Cole County residence of the applicant. A paid personal property tax receipt must be submitted in the name of Johnson Leasing Company issued by the Cole County Collector. A tax receipt issued in the **lessee's** name is not acceptable.

EXAMPLE 2: Smith Leasing Company located in Cole County leases a vehicle to **Reading Railroad** in Callaway County. If the vehicle is titled to Smith Leasing Co. c/o Reading Railroads, a paid personal property tax receipt may be submitted in the name of Reading Railroads issued by the Callaway County Collector. In this case, a receipt issued in the lessee's name **is acceptable**.

Obtaining a Non-Negotiable Registration

2. A Missouri vehicle safety inspection certificate not more than 60 days old, if applicable (see Section 10 for exempt vehicles);
3. An emissions inspection, for motor vehicles and commercial motor vehicles with a GVWR of 8,500 pounds or less, if applicable. This is required only if the applicant indicates an address within the City of St. Louis, St. Louis County, St. Charles County, Jefferson County, or Franklin County.

NOTE: Owners of motor vehicles registered in an area subject to emissions inspection requirements but which are based and will be operated outside an emissions area for at least 12 months must present a waiver from Department of Natural Resources at the time of registration
4. Proof of financial responsibility such as:
 - a. A current original insurance ID card containing name, address of insured, policy #, effective date of policy, and description of vehicle;
 - b. A motor vehicle liability insurance policy or insurance binder (temp policy);
 - c. A self-insured ID card; or
 - d. Financial responsibility ID card listing the insured person's name and vehicle description; and
5. Appropriate registration and processing/agent fees.

For long-term leases, lease/rental companies may elect to require lessees to obtain a non-negotiable registration in the lessee's name for registration purposes only. The non-negotiable registration is not acceptable for transferring ownership and does not relieve the lease/rental company of its obligation to apply for an original title in the lease/rental company's name.

Missouri law provides that any person, firm, corporation or association which, as the result of entering into a lease agreement containing a “right to purchase” clause, is considered the owner of a motor vehicle or trailer for the purpose of registering the unit. The lessee of a vehicle under a lease/purchase agreement as described above may make application for a non-negotiable certificate of registration.

To obtain a non-negotiable certificate of registration on a leased vehicle, the lessee must submit the following:

1. A completed and signed *Application for Missouri Title and/or License* (DOR-108) **in the name of the lessee**, with the title type block marked “NON-NEGOTIABLE.”

NOTE: The lease/rental company’s name should not be listed in the owner’s name block.

2. A copy of the front and back of the certificate of title in the lease/rental company’s name or a copy of the validated pink receipt indicating that the lease/rental company has applied for title in its name;
3. A copy of the lease agreement containing a “right to purchase” clause, signed by both the lessor and the lessee;
4. A Missouri motor vehicle safety inspection completed within 60 days of the date of application, if applicable (see Section 10 for exempt vehicles);

NOTE: This does not apply to trailers.

5. An emissions inspection, for motor vehicles and commercial motor vehicles with a gross vehicle weight rating (GVWR) of 8,500 pounds or less, if applicable. This is required only when the applicant indicates an address within the City of St. Louis, St. Louis County, St. Charles County, Jefferson County, or Franklin County.
6. An original, paid personal property tax receipt or statement of non-assessment in the **lessee’s name**;

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7. Proof of financial responsibility such as:
 - a. A current original insurance ID card containing name, address of insured, policy #, effective date of policy, and description of vehicle;
 - b. A motor vehicle liability insurance policy or insurance binder (temp policy);
 - c. A self-insured ID card; or
 - d. Financial responsibility ID card listing the insured person's name and vehicle description.
 8. An \$8.50 non-negotiable registration fee; and
 9. Appropriate license, transfer, and processing/agent fees.